

Town of Pembroke Fiscal Year 2025 Budget



William Chenard

Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget

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- Meals Tax
- Local Receipts - Detail
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FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget

The budget is a work in progress. The Select Board and Advisory Committee will review the budget over the next three months and make recommendations for Town Meeting on May 14th.

The recommended Fiscal Year 2025 General Fund operating budget uses a total of \$75,354,942 representing a change of 3.63% over the FY2024 budget.



FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget-Revenue Assumptions

- The Town will use all of its levy capacity as allowed by Proposition 2½ .
- State Aid projections use the Governor's Budget and represent a 1.10% increase.
- Local Receipts are estimated using historical actual receipts to project future revenue.
- New growth is estimated at \$300,000. New growth estimates are declining due to delays in large project start-ups and lower new construction projects
- Meals Tax continues to increase.
- Excise Tax is expected to remain constant.
- Licenses and Permits are expected to be flat. Building permits will increase as the larger projects begin.



FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget – Expense Assumptions

- Recommended level services budget with some cuts
- Allocates funding for union/nonunion obligations
- No funds are budgeted for union/nonunion expired or expiring contracts
- Provides for stabilization fund allocations
- Provides funding for the Town's fixed operating costs; healthcare, debt, pension obligations
- Provides \$600,000 in funding for roadway improvements in the capital plan in addition to the Ch. 90 funding from the Commonwealth.
- Provides funding to cover the cost of the elections in FY 2025.



FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget – Revenue Summary

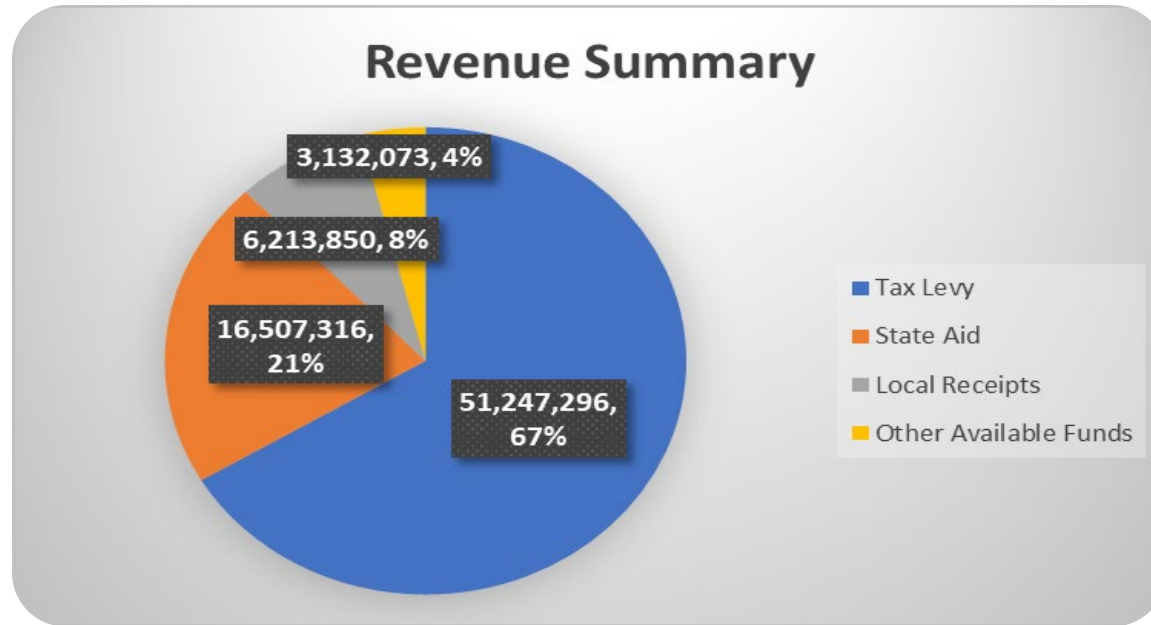


Table 1.0

General Fund Revenues

	2024	2025	
Tax Levy	49,808,691	51,247,296	2.89%
State Aid	16,327,187	16,507,316	1.10%
Local Receipts	5,716,600	6,213,850	8.70%
Other Available Funds	2,762,904	3,132,073	13.36%
Total General Fund Revenues	74,615,382	77,100,535	3.33%

Available funds increase \$2,485,154



FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget

- Available funds increase \$2,485,154
- Fixed cost increase represent 55% of the available funds increase and a 6.9% increase.
- After fixed costs there is \$1,115,483 remaining.
- \$1,115,483 represents a 1.95% increase for the remainder of the budget.

Fixed Costs	FY2024 Budget	FY2025 Request	Net Change
Debt Service	\$ 4,023,953	\$ 4,134,146	\$ 110,193
Pension Assessment	\$ 4,803,392	\$ 5,241,631	\$ 438,239
Unemployment	\$ 95,000	\$ 95,000	\$ -
Health Insurance	\$ 9,479,927	\$ 10,273,666	\$ 793,739
Medicare Tax	\$ 625,000	\$ 635,000	\$ 10,000
Property & Liability Insurance	\$ 765,000	\$ 782,500	\$ 17,500
	\$ 19,792,272	\$ 21,161,943	\$ 1,369,671



FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget – Tax Levy

Table 1.1

Property Tax Levy (Recap)	FY2022	FY2023	FY2024	FY2025 Projected
Prior Year Levy Limit	\$ 42,490,498	\$ 43,989,900	\$ 45,533,176	\$ 46,973,075
2.5% Increase	\$ 1,062,262	\$ 1,099,748	\$ 1,138,329	\$ 1,174,327
Operating Override	\$ -	\$ -	\$ -	\$ -
New Growth	\$ 437,140	\$ 443,528	\$ 301,570	\$ 300,000
Tax Levy Limit	\$ 43,989,900	\$ 45,533,176	\$ 46,973,075	\$ 48,447,402
Debt Exclusions	\$ 1,940,811	\$ 2,955,840	\$ 2,835,616	\$ 2,799,894
Total Levy	\$ 45,930,711	\$ 48,489,016	\$ 49,808,691	\$ 51,247,296



FY 2025 Budget Presentation, William Chenard, Town Manager
February 22, 2024

Fiscal Year 2025 Proposed Annual Budget – New Growth

Table 1.2

	FY2021	FY2022	FY2023	FY2024	FY2025 Projected
Residential	306,385	361,207	319,855	181,807	185000
Open Space	-	-	-	-	
Commercial	111,854	6,195	22,997	28,133	27500
Industrial	10,421	8,967	49,841	13,942	12500
Personal Property	104,187	60,771	50,835	77,688	75000
Total	532,847	437,140	443,528	301,570	300000
Levy Limit	42,490,498	43,989,900	45,533,176	46,973,075	48,447,402
New Grwth % of Levy	1.25%	0.99%	0.97%	0.64%	0.62%



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FY 2025 Budget Presentation, William Chenard, Town Manager
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Fiscal Year 2025 Proposed Annual Budget- Debt Exclusions

Purpose	FY2022	FY2023	FY2024	FY2025
Elementary Schools	\$ 369,650	\$ 354,150	\$ 340,200	\$ 318,000
Secondary Schools	\$ 1,017,800	\$ 971,425	\$ 919,600	\$ 872,500
School Roofs	\$ 398,400	\$ 387,200	\$ 376,000	\$ 293,625
DPW Equipment	\$ 123,276	\$ 114,075	\$ 105,926	\$ 98,925
Community Center	\$ 183,120	\$ 1,277,925	\$ 1,240,625	\$ 1,286,255
Public Safety Building*	\$ -	\$ -	\$ -	\$ 75,124
Reappropriated to Water	\$ (77,775)	\$ (75,575)	\$ (73,375)	\$ (71,175)
MSBA	\$ (73,660)	\$ (73,360)	\$ (73,360)	\$ (73,360)
Net	\$ 1,940,811	\$ 2,955,840	\$ 2,835,616	\$ 2,799,894



FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget – Tax Levy

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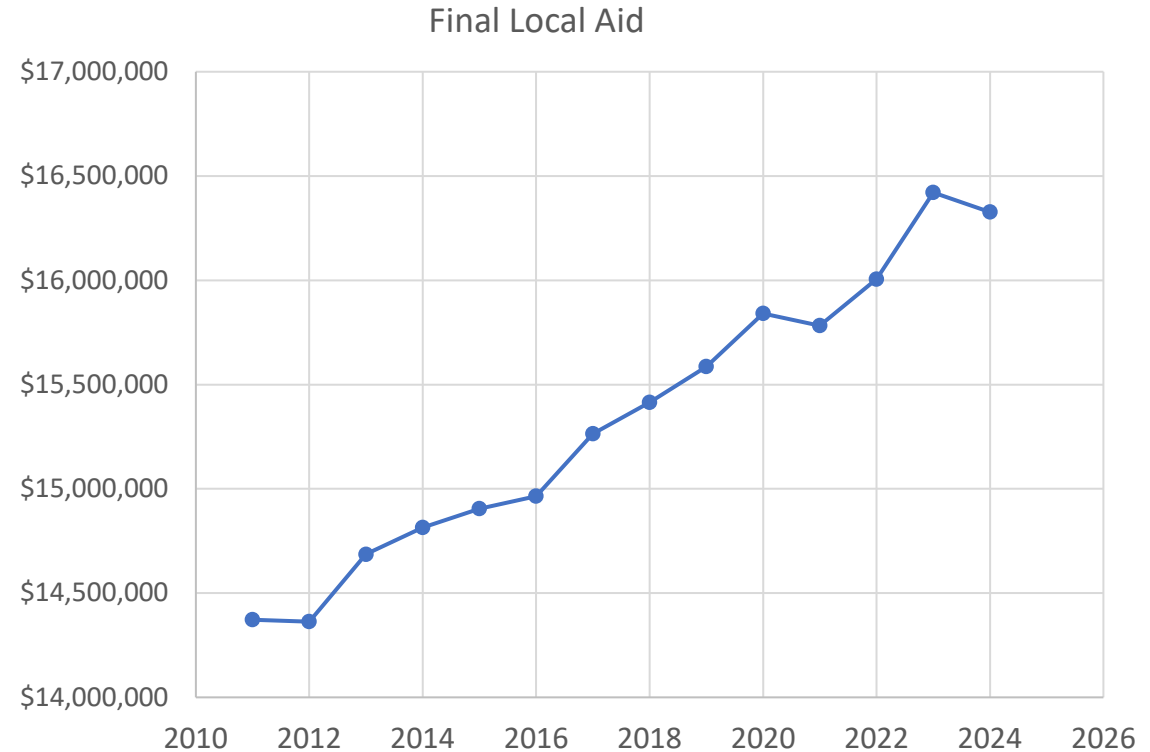


FY 2025 Budget Presentation, William Chenard, Town Manager
February 22, 2024

Fiscal Year 2025 Proposed Annual Budget – State Aid

Fiscal Year Final Local Aid

2024	\$16,327,187
2023	\$16,421,106
2022	\$16,006,345
2021	\$15,782,612
2020	\$15,840,722
2019	\$15,586,642
2018	\$15,414,453
2017	\$15,264,614
2016	\$14,965,086
2015	\$14,904,859
2014	\$14,814,770
2013	\$14,686,460
2012	\$14,363,888
2011	\$14,372,603



FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget – State Aid

PROGRAM	FY2023 Cherry Sheet	FY2024 Cherry Sheet	FY2025 Governors Local Aid Proposal
Education Receipts:			
Chapter 70	13,852,952	14,008,892	14,083,382
School Transportation	0	0	0
Charter Tuition Reimbursement	392,019	80,630	96,986
Smart Growth School Reimbursement	0	0	0
Offset Receipts:			
School Choice Receiving Tuition	0	0	0
Sub-Total, All Education Items:	14,244,971	14,089,522	14,180,368
General Government:			
Unrestricted Gen Gov't Aid	1,947,245	2,009,557	2,069,844
Local Share of Racing Taxes	0	0	0
Regional Public Libraries	0	0	0
Veterans Benefits	78,459	79,157	81,445
Exemp: VBS and Elderly	110,185	104,354	131,782
State Owned Land	0	0	0
Offset Receipts:			
Public Libraries	40,246	44,597	43,877
Sub-Total, All General Government:	2,176,135	2,237,665	2,326,948
Total Estimated Receipts:	16,421,106	16,327,187	16,507,316



FY 2025 Budget Presentation, William Chenard, Town Manager

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Fiscal Year 2025 Proposed Annual Budget – State Aid

Step	Date	
Governor Files Budget	Late January	According to the Constitution of the Commonwealth of Massachusetts, the Governor must propose a budget for the next fiscal year within 3 weeks after the Legislature convenes, which translates into the 4th Wednesday of January. House 1
House	Jan. - April	The House Ways and Means holds hearings and sends the bill to the whole House. Amendments are made and the bill is voted and sent to the Senate
Senate	May - August	The Senate Ways and Means holds hearings and sends the bill to the whole Senate. Amendments are made and the bill is voted and sent to the conference committee to resolve differences between the House and Senate
Governor	July-August	Governor signs or the bill



FY 2025 Budget Presentation, William Chenard, Town Manager

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Fiscal Year 2025 Proposed Annual Budget – Local Receipts

	FY2021	FY2022	FY2023	FY2024 Budget	FY2025 Projected
Motor Vehicle Excise	\$ 3,056,962	\$ 3,090,797	\$ 3,126,454	\$ 3,080,000	\$ 3,150,000
Meals Tax	\$ 313,630	\$ 394,580	\$ 446,431	\$ 420,000	\$ 450,000
Penalties/Interest	\$ 231,857	\$ 207,075	\$ 196,182	\$ 160,000	\$ 200,000
Payments in Lieu of Taxes	\$ 47,987	\$ 45,862	\$ 57,268	\$ 50,000	\$ 57,750
Other Charges	\$ 79,820	\$ 53,180	\$ 36,270	\$ 35,000	\$ 35,000
Fees	\$ 81,804	\$ 67,882	\$ 139,952	\$ 105,000	\$ 125,000
Rentals	\$ 381,074	\$ 382,863	\$ 356,909	\$ 326,500	\$ 375,000
Other Departmental Revenue-School	\$ 37	\$ 185	\$ 156	\$ -	\$ 100
Other Departmental Revenue-Cemetery	\$ 22,710	\$ 39,150	\$ 25,800	\$ 25,000	\$ 25,000
Licenses/Permits	\$ 636,834	\$ 737,591	\$ 661,336	\$ 595,000	\$ 660,000
Fine and Forfeits	\$ 16,327	\$ 21,479	\$ 27,583	\$ 20,000	\$ 25,000
Investment Income	\$ 41,682	\$ 144,832	\$ 1,216,682	\$ 859,791	\$ 846,000
Medicaid Reimbursement	\$ 146,873	\$ 253,565	\$ 237,091	\$ 150,000	\$ 225,000
Misc Recurring	\$ 31,960	\$ 38,659	\$ 41,480	\$ -	\$ 40,000
Misc Non-Recurring	\$ 2,437	\$ 5,354	\$ 6,179	\$ -	\$ -
Total	\$ 5,091,994	\$ 5,483,053	\$ 6,575,772	\$ 5,826,291	\$ 6,213,850



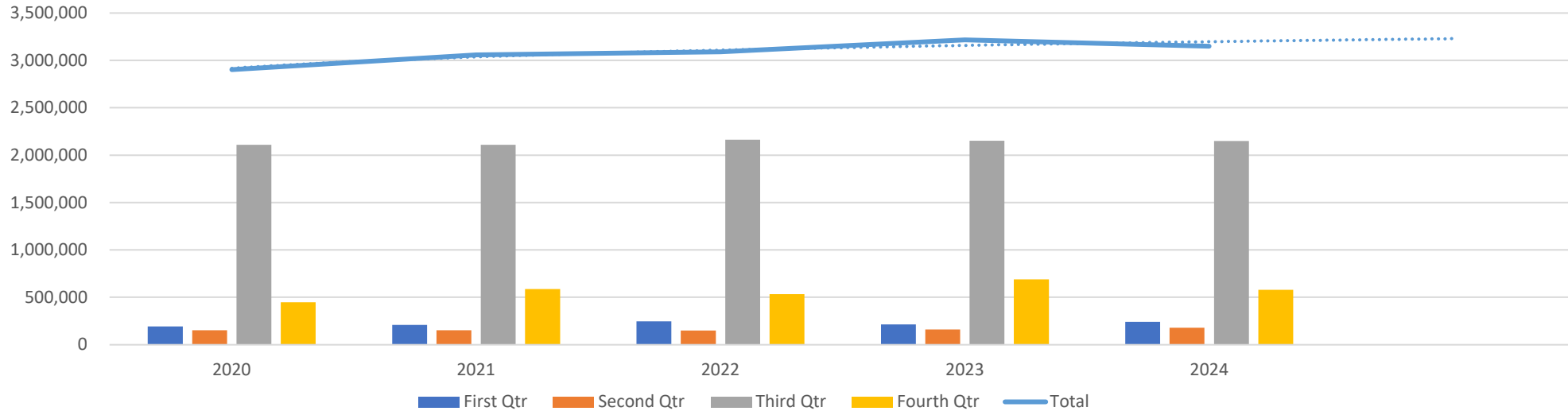
FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget - Excise

	2020	2021	2022	2023	2024
First Qtr	192,779	207,512	244,953	213,695	241,815
Second Qtr	153,531	153,364	149,525	160,197	178,240
Third Qtr	2,109,181	2,109,202	2,161,707	2,152,086	2,150,000
Fourth Qtr	446,269	586,884	534,612	689,650	580,000
	<u>2,901,760</u>	<u>3,056,962</u>	<u>3,090,797</u>	<u>3,215,628</u>	<u>3,150,055</u>
					Estimated

Excise Tax Summary

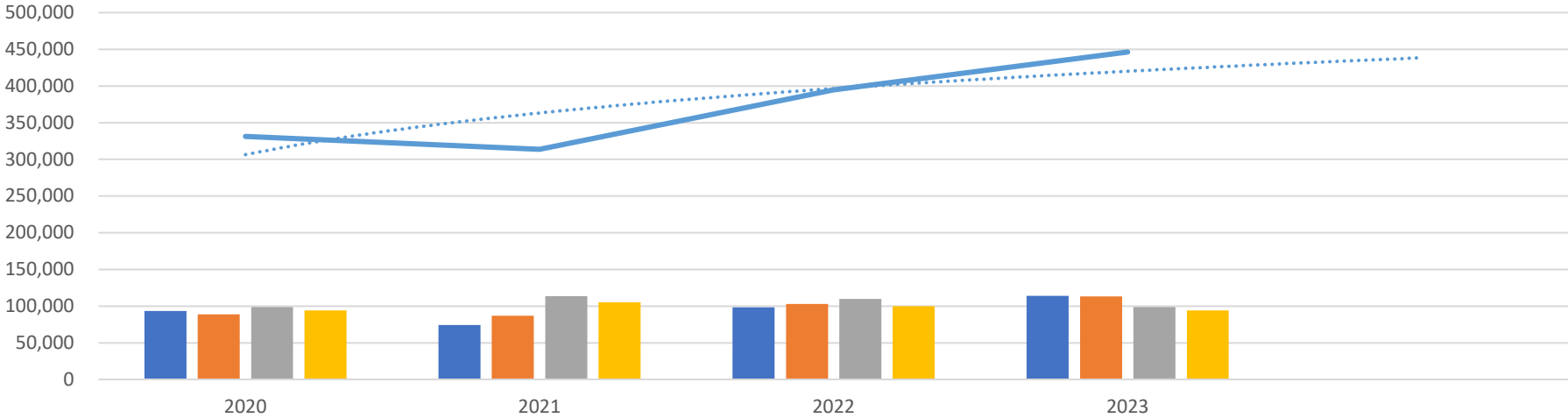


FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget – Meals Tax

Meals Tax Summary



	2020	2021	2022	2023	2024	Three Yr Median	Three Yr Average
First Qtr	93,585	74,227	98,527	114,120	134,669	114,120	115,772
Second Qtr	88,793	86,773	103,011	113,469	115,605	113,469	110,695
Third Qtr	91,140	71,860	98,937	113,656	110,000	98,937	94,818
Fourth Qtr	57,964	80,770	94,106	105,187	100,000	94,106	93,354
Total	331,483	313,630	394,580	446,431	460,274	394,580	384,881
					Estimated		



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Fiscal Year 2025 Proposed Annual Budget – Local Receipts

Penalties and interest result from the late payment of taxes and payments to the Town. The fiscal year 2025 estimated penalties and interest is \$200,000.

Payment in lieu of taxes result from agreements made between the Town of Pembroke and companies that use Town services but do not pay tax in the traditional sense. The fiscal year 2025 payment in lieu of taxes is estimated at \$57,750.

Other charges are the fees we receive from the Registry of Deeds for filings such as lien certificates that occur on Pembroke properties. The Fiscal Year 2025 other charges are estimated at \$35,000.

Fees are the fees collected by various departments, boards, and committees for services. These are typically pass through fees such as police detail, peer review by planning, zoning, and conservation. Fiscal year 2025 fees are estimated at \$125,000.



FY 2025 Budget Presentation, William Chenard, Town Manager

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Fiscal Year 2025 Proposed Annual Budget – Local Receipts

Rentals are contracted rental agreements with those entities that lease space from the Town on a permanent basis. These are cellular tower and solar leases. Rentals are estimated at \$375,000.

Licenses and Permits is income from permits and licenses issued by the Town. These include:

Permits-Building

Licenses-Dog

Permits-Electrical

Permits-Fire Dept

Licenses-Firearms

Permits-Gas

Permits-Plumbing

Permits-Road Opening

Licenses & Permits-Select Board

Licenses-Town Clerk

Licenses and Permits income is estimated at \$660,000.

Investment income is generated from the investment interest return on Town funds. Investment income is estimated at \$846,000 for fiscal year 2025.



FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget – Local Receipts

Medicaid Reimbursement are funds reviewed for medical services provided to Medicaid eligible recipients.



FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget – Other Available

	FY2021	FY2022	FY2023	FY2024 Budget	FY2025 Estimate
Capital Stabilization Fund	\$ 127,122	\$ 25,000	\$ 35,000	\$ 35,000	\$ 35,000
Ambulance Fund	\$ 795,168	\$ 811,071	\$ 929,829	\$ 1,035,710	\$ 1,056,424
Septic Loan Program	\$ 93,360	\$ 93,360	\$ 93,360	\$ 71,165	\$ 70,702
Council on Aging Transportation	\$ 105,000	\$ 102,177	\$ 105,000	\$ 71,116	\$ 105,000
School Athletic Fund	\$ 87,875	\$ 74,875	\$ 72,125	\$ 69,375	\$ 66,625
Recreation Revolving Clerical	\$ 45,184	\$ 46,088	\$ -	\$ 53,471	\$ 54,540
School Construction Funds	\$ 73,660	\$ 73,360	\$ 73,360	\$ 73,360	\$ 73,360
Water Enterprise Indirect	\$ 375,000	\$ 477,040	\$ 495,191	\$ 517,641	\$ 533,170
Solid Waste Enterprise Indirect	\$ 20,000	\$ 54,310	\$ 58,885	\$ 59,291	\$ 60,477
Cemetery Trust Funds	\$ 26,532	\$ 25,731	\$ 25,500	\$ 22,150	\$ 22,150
Regional ACO	\$ 34,960	\$ 38,659	\$ 41,480	\$ 54,625	\$ 54,625
Miscellaneous	\$ 175,500	\$ 249,110	\$ 480,000	\$ 700,000	\$ 1,000,000
	\$ 1,980,361	\$ 2,081,381	\$ 2,419,930	\$ 2,762,904	\$ 3,132,073



FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget - Expenses

General Fund Expenses

Pembroke Public Schools	37,670,000	38,430,000	2.02%
Pembroke Public Library	795,095	803,111	1.01%
Town Clerk & Elections	209,672	276,590	31.92%
Lydia Drake Library	5,300	5,100	-3.77%
Public Safety	8,850,792	9,138,446	3.25%
Public Works	1,723,704	1,702,976	-1.20%
Recreation & Council on Aging Services	517,229	631,520	22.10%
Administrative Support Services	2,323,429	2,349,086	1.10%
Boards & Committees	67,180	65,010	-3.23%
Town Building Maintenance & Utilities	663,604	696,160	4.91%



FY 2025 Budget Presentation, William Chenard, Town Manager

February 22, 2024

Fiscal Year 2025 Proposed Annual Budget - Expenses

Shared Expenses

Fringe Benefits	10,219,927	11,023,666	7.86%
Prop & Liab. Insurance	765,000	782,500	2.29%
Retirement	4,803,392	5,241,631	9.12%
Debt Service	4,023,953	4,134,146	2.74%
Reserve Fund	75,000	75,000	0.00%
General Fund Oper. Expenses	72,713,276	75,354,942	3.63%
State & County Assessments	1,422,056	1,276,153	-10.26%
Cherry Sheet Offsets	44,597	43,877	-1.61%
Overlay	425,000	400,000	-5.88%
Snow Removal Supplement			
Total General Fund Expenses	\$ 74,604,929	\$ 77,074,972	3.31%



FY 2025 Budget Presentation, William Chenard, Town Manager

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Fiscal Year 2025 Proposed Annual Budget – Stabilization Funds

December 30, 2023

Stabilization Fund 1	655,684.09
Stabilization Fund 2	970,675.26
Other Post Employment Benefits Fund	1,660,984.96
Injured On Duty Fund	290,407.58
Workers Comp Fund	718,092.48
Stabilization Fund - Capital	281,335.63
Stabilization Fund - Water	399,728.48
Stabilization Fund - Special Education	<u>443,138.78</u>
	5,420,047.26



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Fiscal Year 2025 Proposed Annual Budget – General Notes

Free Cash - *The Technical Assistance Bureau recommends that communities understand the role free cash plays in sustaining a strong credit rating and encourages them to adopt policies on its use. Under sound financial policies, a community strives to generate free cash in an amount equal to three to five percent of its annual budget. This goal helps deter free cash from being depleted in any particular year, which enables the following year's calculation to begin with a positive balance. To do this, the community would orchestrate conservative revenue projections and departmental appropriations to produce excess income and departmental turn backs.*

As a nonrecurring revenue source, free cash should be restricted to paying one-time expenditures, funding capital projects, or replenishing other reserves. When a community incorporates free cash into revenue source projections for next-year operational expenses, it is prudent to place a percentage restriction on the total free cash to be used.

Source: Massachusetts Department of Revenue Division of Local Services

FY 2025 Budget Presentation, William Chenard, Town Manager

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Fiscal Year 2025 Proposed Annual Budget – General Notes

Excise tax- *the motor vehicle excise is imposed for the privilege of registration. It is not assessed for the use of the roads and monies collected from the excise are general fund revenues available to support municipal operations.*

Source: Massachusetts Department of Revenue Division of Local Services Bureau of Municipal Finance Law



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Fiscal Year 2025 Proposed Annual Budget – State Revenues

MA Tax Collections Summary (in \$ billions)

Month	Revenue FY2023	FY2024 Forecast	Revenue FY2024	% of Benchmark	YTD	% of Benchmark
July	2.406	2.673	2.670	-0.112%	2.670	-0.112%
August	2.601	2.447	2.429	-0.07%	5.096	-0.40%
September	4.199	4.337	4.187	-3.50%	9.284	-1.80%
October	2.362	2.743	2.558	-6.80%	11.843	-2.90%
November	2.384	2.527	2.253	-10.90%	14.097	-4.30%
December	3.858	3.914	3.776	-3.50%	17.869	-4.10%
January	2.630	4.121	3.594	-6.80%	21.463	-1.19%



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Fiscal Year 2025 Proposed Annual Budget – Budget Review

Process	Date
Select Board Reviews the budget	February - April
Advisory Committee reviews the budget	February - April
School Committee reviews the school budget	February - April
Advisory Committee and Select Board vote Town Meeting Recommendations	April
Final Warrants are signed for April 30 posting	April 24
Annual Town Meeting	May 14
Annual Town Election	May 18



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Fiscal Year 2025 Proposed Annual Budget

Questions or Comments



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